

CITY OF REEDLEY
INTER-OFFICE MEMORANDUM

To City Council DATE May 15, 1978
SUBJECT Proposition 13

Based on the financial analysis on the effects of Proposition 13 as prepared by Carlos Sanchez, Director of Finance, it is estimated that the City of Reedley will realize a reduction of \$264,320 in property taxes if Proposition 13 is passed by the voters on June 6, 1978.

The City Council has requested a report on what the effect will be on Reedley if the initiative proposition passes.

It is difficult to put this report in proper perspective at this time since the proposition, if passed, will become effective July 1, 1978. We are still working with our current budget and just starting to consider a budget program for fiscal year 1978-79. Property tax revenue is credited to the General Fund. The General Fund is non-restrictive in the type of use that can be made of the funds.

The first part of this report will look at areas where expenditures for personnel, services, programs and capital expenditures could be reduced and/or eliminated which are supported in whole or part by the General Fund.

A. Salaries & Fringe Benefits.

1. Hiring freeze on vacant or authorized positions

- a. Parks Division - Park Caretaker \$14,480
- b. General Government - Bldg. Mtce. Man I 5,830
Remains at half time instead of full time.

2. Eliminate all overtime, except in Police Department for holidays.

3. No new positions added 1978-79 fiscal year

4. General Government

- a. Eliminate City Council salaries 9,000
- b. Eliminate Planning Consultant 5,700

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5. Police Department

| | |
|--|-----------|
| a. Youth Services Officer | \$ 18,725 |
| b. Poundmaster/Environmental Control Officer | 14,350 |
| c. Burglary Prevention - 2 Police Officers | 54,000 |

6. Street Division

| | |
|----------------------------|--------|
| a. Street Sweeper Operator | 14,490 |
| b. Student Workers - 3 | 5,255 |

7. Disposal Division

| | |
|-------------------|-------|
| a. Student Worker | 1,750 |
|-------------------|-------|

8. Parks Division

| | |
|-------------------|-------|
| a. Student Worker | 1,750 |
|-------------------|-------|

9. Community Services

| | |
|---|--------------|
| a. Recreation Supervisor - cut to half time | 7,175 |
| b. Senior Citizens Representative | <u>4,645</u> |

| | |
|-----------------------------|-----------|
| Total Salaries and Benefits | \$152,450 |
|-----------------------------|-----------|

B. Other Salary & Benefit Cost Items - Consideration of the following:

Holding the line on salaries, reducing City share of fringe benefit costs for social security, group health insurance and retirement.

C. Maintenance & Operation

| | |
|---|-----------|
| 1. Eliminate all travel, conference membership and training expenses | \$ 19,640 |
| 2. Street lighting cut in half | 27,000 |
| 3. Eliminate contributions - Sequoia Safety Council, July 4th Fireworks, Employee Christmas Party and Summer Picnic, Chamber of Commerce, Christmas decoration lighting | 12,440 |



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|---|---------------------------|
| 4. Eliminate audit on annual basis, go to biannual audit | \$ 2,750 |
| 5. If Youth Services Officer, Poundmaster/ Environmental Control Officer and two Police Officers in Burglary Prevention are eliminated, the following additional cost savings could be realized | 9,880 |
| 6. Make all recreation programs self-supporting | 11,215 |
| 7. Make swimming pool program self-supporting | 20,430 |
| 8. If Senior Citizens Representative position is eliminated, the following additional cost savings would be realized | 985 |
| 9. Make Senior Citizen's Transportation self-supporting | <u>2,415</u> |
| Total Maintenance and Operation | \$106,755 |
| Grand Total | <u>\$259,205</u> ----- |

Now, let's take a look at what happens to operations of the various departments if the above budget cuts are implemented either in whole, or in part.

1. Police Department

a. Youth Services

Elimination of this program would result in the Police Department not offering programs of any type to the schools.

We would also have to handle all juvenile cases differently. Presently, when an officer has a case involving a juvenile, the officer refers the case to the Youth Services Officer for evaluation, consultation, and disposition. Many cases are handled within the department, thus avoiding placing a juvenile (especially first-time offenders) in the formal justice system.

b. Animal/Environmental Control

The duties of this position, if eliminated, would have to be done by other personnel on a citizen-

complaint and officer-availability basis only, since there is not adequate patrol personnel to handle the duties of this position on a proactive basis.

c. Crime Prevention

If the two police officer positions were eliminated, we would have to abandon our crime prevention program and our investigations. This service will be accentuated by potential increased workload caused by City expansion.

I want to emphasize that maintaining the departmental resources at their present level will not necessarily be maintaining the service level of the department at its present level. The continuing trend of annexation, building, and population increases is going to take its toll on our resources and is bound to affect our service level.

We have made excellent progress in our continuing battle against crime. It will be less expensive in the long range to shore up our present position to insure that our gains will not be eroded away. Playing "catch up" is always an expensive proposition.

2. Public Works

Existing personnel were not cut because, in my opinion, we are operating below the number of required personnel to maintain a city the size of Reedley. Due to the cuts in part-time summer help, there will be many common and expected services, such as special hauls, pothole repairs, sign painting, hydrant painting, and citizen requests that will not be taken care of promptly and will have to be delayed until such time as we can make personnel available for the service requested.

All maintenance and operation accounts reflect both major and minor cuts. The cuts that were made will definitely affect the Public Works Department's ability to deliver services upon demand. Some cities are planning to cut street lighting in half and this is what I recommend. Such services as tree spraying and street cleaning will be left up to each homeowner. Disposal bins will not be painted because of time and no paint. Proposed park projects, such as the Mt. Hill project, Camacho Park development, as well as general park maintenance, will have to be eliminated or curtailed because of a lack of

personnel. Our park personnel take their vacations during the summer months, and we rely on student help to fill in, but this will not be possible. Facilities get their heaviest use during the summer months and this is also when parks require the most maintenance and repair and this service will have to be curtailed.

There are many pieces of equipment that need to be replaced so that we can just continue to operate on a day-to-day basis. If new equipment is not purchased, this means that there will be more frequent down time on equipment which means there will be times when projects cannot be started or completed on a scheduled basis.

In reviewing the suggested cuts in all budgets, I think it is pretty plain that services being provided by the Public Works Department will definitely have to be curtailed and/or eliminated in many instances.

3. Community Services

All programs provided by the department will be affected. The reduction and elimination of personnel will affect the delivery of services and, like the other departments, services will be provided when personnel are available. It will not be physically possible to cover all the bases. In addition, the use of the Community Center Building could be curtailed on weekends and evenings. This would reduce personnel overtime costs and maintenance and operation costs.

4. General

This city has experienced an orderly and steady growth over the years. Additional personnel and services have been kept at a minimum. However, this cannot continue because we are stretching our resources very thin. You can only do this for so long --- sooner or later something in the system will break causing a flood of problems. With cuts suggested above, all growth and progress would have to be stopped. This includes residential, commercial, and industrial building construction. Annexations in progress would have to terminate. No new subdivisions would be considered.

This is the second part of the report which will deal with the positive approach to keeping Reedley on a progressive schedule, with orderly growth and timely services that citizens in Reedley have been accustomed to receiving and will continue to demand.

In order to maintain the current level of service and permit the community to continue to grow and expand, the following adjustments in revenue are recommended. If Proposition 13 passes, it has been stated that the business community would benefit the most.

- A. Increase the basic business license fee from \$25.00 per annum to \$100 per annum. Change pro-ration from quarterly to semi-annual. Current year estimated revenue is \$15,000. Revenue at new rate would be \$60,000, a net gain of \$45,000. \$ 45,000

- B. Increase water, sewer, and disposal rates. Average monthly residential bill for these services is:

| <u>Current</u> | |
|----------------|-------------|
| Water | \$4.25 |
| Sewer | 2.00 |
| Disposal | <u>2.75</u> |
| | \$9.00 |

Average monthly commercial bill for the same service is:

| <u>Current</u> | |
|----------------|-------------|
| Water | \$ 4.25 |
| Sewer | 2.00 |
| Disposal | <u>3.95</u> |
| | \$10.25 |

We have approximately 3,500 utility accounts. Of this amount, 213 are commercial/industrial accounts.

1. Across the board increase

\$5.25 rate increase x 3,500 accts. x 12 mo. = \$220,500, or

2. Residential/Commercial Split

Residential increase of \$4.25 x 3,287 x 12 = \$167,600

Commercial increase of \$20.50 x 213 x 12 = 52,400

\$220,000

Total annual revenue from the two resources listed above should rates be adjusted would amount to approximately \$265,000.

Rather than reduce services, it is recommended that revenues be increased in order to keep Reedley moving. I remind the Council that this is not an in depth study, but rather a quick look at the potential impacts and solutions should Proposition 13 be approved.

Respectfully submitted,

Nicholas G. Pavlovich
Administrative Officer

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